

COMMISSIONERS
KRISTIN K. MAYES - Chairman
GARY PIERCE
SANDRA D. KENNEDY
PAUL NEWMAN
BOB STUMP



MICHAEL KEARNS
Acting Executive Director

ARIZONA CORPORATION COMMISSION

June 25, 2009

The Honorable Jon Kyl
U. S. Senate
730 Hart Senate Building
Washington, DC 20510-0304

The Honorable John McCain
U.S. Senate
241 Russell Senate Office Building
Washington, DC 20510-0303

The Honorable Ann Kirkpatrick
U.S. House of Representatives
1123 Longworth House Office Building
Washington, DC 20515-0301

The Honorable Trent Franks
U.S. House of Representatives
1237 Longworth House Office Building
Washington, DC 20515-0302

The Honorable John Shadegg
U.S. House of Representatives
436 Cannon House Office Building
Washington, DC 20515-0303

The Honorable Ed Pastor
U.S. House of Representatives
2465 Rayburn House Office Building
Washington, DC 20515-0304

The Honorable Harry Mitchell
U.S. House of Representatives
1410 Longworth House Office Building
Washington, DC 20515-0305

The Honorable Jeff Flake
U.S. House of Representatives
240 Cannon House Office Building
Washington, DC 20515-0306

The Honorable Raul Grijalva
U.S. House of Representatives
1440 Longworth House Office Building
Washington, DC 20515-0307

The Honorable Gabrielle Giffords
U.S. House of Representatives
1728 Longworth House Office Building
Washington, DC 20515-0308

Dear Senators and Congress members:

We are writing to you to express our concerns regarding the forthcoming energy legislation being considered in Congress. While individual Commissioners have differing views of various components of the legislation, the Commission as a body is concerned with a proposal to pre-empt Arizona authority over high-voltage transmission siting.

As you know, Arizona has a national reputation for diligently planning for and approving high-voltage transmission lines. Since 2000, Arizona has approved more than 20 major transmission projects totaling in excess of 600 linear miles of transmission corridor and associated substation facilities. The Arizona Corporation Commission's ("ACC") Biennial Transmission Assessment and associated working group processes ensure that regional transmission needs will be met.

The current transmission siting language being considered in the American Clean Energy and Security Act of 2009 provides the Federal Energy Regulatory Commission ("FERC") with an advisory role for transmission planning, seemingly recognizing the important state function in this area. While the

current bill language would allow the ACC to continue reviewing and approving transmission lines in Arizona, at least one amendment being contemplated would appear to strip the Commission of this authority in favor of FERC.

The amendment put forth by FERC Chairman Wellinghoff would grant FERC review over 345 kilovolt transmission lines where a state has rejected, dismissed, or failed to authorize construction within a year of submission or has subjected the application to conditions that unreasonably interfere with the development of the projects. Granting FERC expanded authorities would effectively mean that state commissions' good-faith decisions on the projects brought before them would not be recognized and would minimize participation by the citizens most affected by these projects. Public participation would undoubtedly be muted, particularly in western states, where FERC is accorded the final authority under the Wellinghoff plan.

Additionally, FERC authority over transmission would have significant impacts in other areas, such as integrated resource planning. Integrated resource planning - which is currently conducted at the state level - requires that generation and transmission needs be planned in concert; the bifurcation of one from the other would jeopardize the effectiveness of this process.

The Commission urges you to recognize the successful transmission siting efforts being made in Arizona and prevent this authority from being ceded to FERC. Transferring authority to FERC "fixes" a problem that doesn't exist in Arizona. Further, federal preemption, which under the amendment is targeted at western states alone, draws an inappropriate line between states and unfairly penalizes a region that has been dutifully planning and collaborating for its transmission needs. We urge you to oppose the Wellinghoff amendment to the Clean Energy and Security Act.

Thank you for your consideration of this matter and please feel free to contact us with any questions.

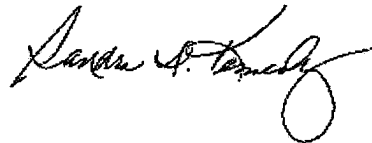
Sincerely,



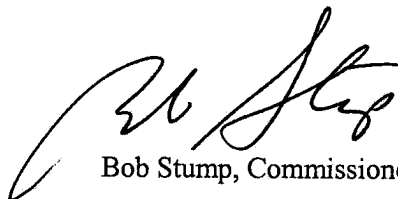
Kristin K. Mayes, Chairman



Gary Pierce, Commissioner



Sandra D. Kennedy, Commissioner



Bob Stump, Commissioner

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Congressional Delegation

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